Section IV: FINANCING RECOMMENDATIONS

Significant progress has been made in increasing reimbursement through Medicaid and Title IV-E since the financing recommendations were made, especially in the use of the Psychosocial Rehabilitation Option. DHW will continue to work closely with state and local agencies, the Governor and the Legislature to maximize all appropriate federal funding options for children with SED.

It is widely recognized that the implementation of the plan is primarily dependent upon the existence of sufficient additional resources. There are three key resource areas discussed in the Needs Assessment: Medicaid/federal funding, the more efficient allocation of current resources, and new resources.

FINANCIAL STATEMENT:
Four of the seven Financing recommendations refer to increasing Medicaid and federal IV-E funds to maximize federal funding for children's mental health services. There have been significant increases by DHW in the use and reimbursement of Psychosocial Rehabilitation services, and the Governor's current budget request includes an increase in the Medicaid funds for children's mental health. The increased Medicaid funding includes a request for an additional $726,700 in general funds with a resultant $1,775,400 in federal matching funds. Defendants are working to maximize their reimbursement under the federal programs.

The Governor has asked for just over $6 million in increased spending on children's mental health services. If the Legislature appropriates what the Governor has requested, the Defendants will have met the initial funding part of recommendation number 22. This additional funding will be used to fund the local councils, the ICCMH, increased staffing in DHW to do assessments, and increases in service capacity in the regions. This will be done through a combination of new and current general funds and Medicaid reimbursements. It is recognized that this is a first step in the implementation and that there remains a need for additional resources in the future.

There are legal and practical barriers to the ability to implement some of the financial recommendations as they are written. As explained in the text of recommendation 23, the transfer of funds described in that recommendation has not been sought.

<u>Recommendation 18.</u>
DHW, the state Medicaid authority, must work with appropriate partners to determine how best to allow expansion in the Medicaid Rehabilitation Option reimbursement (referring to receipts and usage**) for community based mental health services for eligible children and their families. (Priority 1)**

Background/Framework for Implementation:
DHW has increased the use of the Medicaid Rehabilitation Option for psychosocial rehabilitation mental health services for children in all regions of the state. Spending in the Psychosocial Rehabilitation Option was $7.8 million in FY 2000 compared with $2.1

million in FY 1998, the year this recommendation was written. This translates to an increase in the number of children receiving community-based services under Medicaid.

Medicaid Quality Improvement Teams for UM are currently in place to review and make recommendations with regard to criteria for service delivery for Medicaid eligible individuals. Four teams, consisting of private providers, consumers (may include families), advocates and DHW staff make recommendations for action to a single statewide team representing all 4 categories. These groups will be asked to identify barriers and strategies to recruitment and retention of additional providers for children's mental health services. This will be part of a continuous improvement approach to the service system as well as delivery of services to individuals.

Priority Action Items and Timelines

A DHW will continue to meet with private providers to explore barriers and incentives to use the Rehabilitation Option, including mileage reimbursement for travel to rural areas and the potential expansion of service provision through the use of videoconferencing referenced in recommendation 17.

B DHW will continue, through Utilization Management, to develop and train providers to serve children under the Rehabilitation Option.

Desired Result

Continued review and recommendations by the Medicaid Quality Improvement teams to address barriers and identify recruitment and retention strategies which may result in the expansion of reimbursement for community based services under the Rehabilitation Option.

Recommendation 19.

DHW, the state child welfare authority, should work with appropriate partners to expand appropriate reimbursement claiming, under Medicaid and Title IV-E, of services delivered within that system. (Priority 1)

Background/Framework for Implementation:

DHW has aggressively sought reimbursement of appropriate costs through Medicaid and Title IV-E for children within the DHW child welfare system.

DHW has a resource development unit whose responsibility is to determine and maximize Title IV-E funding for children in out of home care. DHW recently had a Title IV-E federal audit. The audit determined that all appropriate Title IV-E claims were being made. The only identified potential for increasing claims under Title IV-E was to identify additional eligible residential care services. This entails an extensive time study by each provider of residential treatment services to determine what percentage of their cost can be allocated to Title IV-E.

DHW is maximizing Medicaid reimbursement and expenditures under the current system by increasing the number of children who are eligible under the state Children's Health

Insurance Program (CHIP) and by increasing the use of the Psychosocial Rehabilitation Option.

Priority Action Items and Timelines

A DHW will continue to review ways to increase reimbursement percentages for out-of-home care with regard to Title IV-E in conjunction with federal Region X Health and Human Services staff.

B During 2001, DHW will determine the feasibility of accessing the Home and Community Based Services (HCBS) waiver under Medicaid from the federal government for children with SED.

C By July 1, 2002, a workgroup will be established to explore the feasibility of making changes to the Katie Beckett waiver, with the possibility of making recommendations to the ICCMH around this waiver.

Desired Result

DHW will continue to access all potential Title IV-E funding for individual children and services provided. The Defendants will continue to seek ways to maximize Medicaid reimbursement where appropriate and legally available.

Recommendation 20.

DHW, IDJC, and local courts should work together to begin claiming reimbursements through Titles IV-E and XIX (Medicaid) for services purchased for eligible children in the juvenile justice system. (Priority 1)

Background/Framework for Implementation

DHW and DJC have explored the use of Title IV-E for children in the care of DJC and found the restrictions and requirements of this funding source make it cost-prohibitive to apply it to the current juvenile corrections system in the state of Idaho.

Many children in the care of DJC are eligible for Medicaid and receive medical services reimbursed by Medicaid; however, federal regulations prohibit DJC from accessing Medicaid reimbursement for children who are being housed in correctional settings. Expansion of Medicaid reimbursed services to this population would require changes to the current Medicaid State plan and federal regulations, which do not have legislative support at this time. Additional changes to federal statutes have created functional legal barriers to increasing Title IV-E funds for children committed to DJC.

Priority Action Items and Timelines

A DHW and DJC will continue to meet to determine the extent to which services rendered by DJC meet the Title IV-E and XIX reimbursement requirements.

Desired Result
Appropriate federal funding is identified for children with SED who are in the custody of the Department of Juvenile Corrections. Medicaid reimbursement is sought for children being released from DJC custody.

Recommendation 21.
DHW, IDE, and local schools should work together to improve school use and understanding of the Medicaid program to pay for appropriate services delivered in and by schools. (Priority 2)

Background/Framework for Implementation
DHW currently works with school districts and the State Department of Education to improve school use and understanding of Medicaid. Through this collaboration, school use of Medicaid has increased dramatically. Currently 99 of 113 school districts have Medicaid provider numbers. This is a dramatic increase from 15 school districts with provider numbers a year ago. Forty-six of those districts with provider numbers are currently billing for Medicaid services. A manual has been developed for schools, and Medicaid employs a full time staff person to provide technical assistance to districts regarding Medicaid reimbursement. Medicaid staff conduct workshops each year at school conferences and provide software and training for electronic billing of Medicaid services. Some smaller school districts have found the billing procedures and costs to be prohibitive. Some of those districts have established contracts with larger districts to manage the billing and record keeping, reducing the administrative burden to an acceptable level.

Priority Action Items and Timelines:
A DHW, SDE and school districts will continue collaborative efforts to increase the number of school districts billing for Medicaid reimbursable services.

B DHW and SDE will identify the critical elements for consistent Medicaid reporting.

C During 2001, SDE will assist in distributing the Medicaid manual to all school districts and will work collaboratively with the school Medicaid office to provide training, technical support and encouragement in the use of the manual.

Desired Result
Schools have support and the ability to bill Medicaid for appropriate services, where it is cost effective to do so.

Recommendation 22.
DHW should work closely with the Legislature to double the amount of state funds dedicated to children's mental health, currently referred to as the "Jeff D." funds, and realign distribution of those funds to better reflect size and resource differences among the IDHW regions. (Priority 1)

Background/Framework for Implementation
The Governor's budget request for FY 2002 includes $3.5 million in general funds to the DHW Family and Community Services (FACS) budget for children's mental health services. In addition, $2.5 million was requested for mental health services reimbursed under Medicaid. The request for $3.5 million in general funds breaks down as follows: 1) $2,379,200 in Trustee Benefits which includes $350,000 for the local councils, $135,000 for the implementation of the collaborative recommendation (state level council operating costs); 2) $1,156,200 which will be used to hire fourteen full-time clinicians and additional temporary staff to do assessments, and to also hire a project manager; and 3) $75,600 for capital outlay, for a total of $3,535,400 in general funds requested. Additionally, in the Governor's request for the funding for the fifteen new positions, there has been a representation that an additional ten positions for clinical assessments will be requested in the next fiscal year.

Priority Action Items and Timelines

A New general funds for children's mental health services will be allocated to the regions based on a poverty youth population formula in order to better reflect size and resource differences among the regions. Consideration may also be given in the allocation formula to those regions with state institutions providing care for large populations of juvenile offenders in the custody of DJC. The money available to pay for services to children and families will be used by the regions to develop a base of core services outlined in the program development recommendations 25-41.

B The ICCMH will report annually to the Governor regarding progress toward meeting recommendations of the Needs Assessment set forth in the plan adopted by the federal court and in implementing the Idaho Children's Mental Health Services Act. This report will be available to the public and will be used to make recommendations to the Governor regarding the need for additional resources.

Desired Result
New general funds for children's mental health services reflect size and resource differences among the regions. New general funds should be made available to provide community based mental health services to children with SED and their families.

<u>Recommendation 23.</u>
Planning among state agency partners should begin immediately to place $2 million from the FY00 IDJC budget under the control of the Child and Family Cabinet Council by no later than January 1, 2000, and $4 million by FY01, to be used to stimulate the development of local diversion programming. (Priority 1)

Background/Framework for Implementation
It is not appropriate at this time to consider a loss of funding to the Department of Juvenile Corrections. All children with SED in DJC custody have been committed to DJC by the state courts. DJC cannot reduce services to children with SED in its custody. DJC's funds for treatment of children with SED cannot be reduced unless the courts commit fewer youth to DJC custody. DJC's funds for treatment of children with SED

should not be transferred to another agency or agencies unless the children with SED in DJC custody are also transferred from DJC custody to an appropriate treatment program outside DJC that will not result in their likely return to DJC custody.

This item will not be implemented as such. If there are successful programs to divert children with SED away from DJC before they are committed, the rate of growth of commitments to DJC programs will slow, and DJC will require fewer funds. However, DJC's population is currently growing, and reducing DJC's funds would likely lead to loss of statutorily or constitutionally required programs for its remaining committed youth.

Priority Action Items and Timelines:
A It is recognized that additional funding will be needed to fully implement this plan. The ICCMH, through its annual for new funds will be consistent with the sizing of service capacity for community-based services to serve children with SED. New funding requests will be deferred until this data is available. See also recommendation 2. Defendants will be making a request for new funds consistent with recommendation 27 and the financing statements in the report, will make the initial recommendations for additional funding for these purposes. The recommendations in this plan.

Desired Result
Slowing the growth of children with SED who are committed to DJC custody. New funding will allow for the expansion of services for children with SED and their families.

Recommendation 24.
IDHW and the Cabinet Council should lead the construction of a cross-system state children's budget that identifies all resources and the services they purchase. (Priority 1)

Background/Framework for Implementation
At this time it is not feasible to pool resources into a single funding stream due to statutory constraints. The local councils provide a mechanism for a coordinated delivery of mental health services. Council members bring to the council their separate agency resources to be used together with other agencies' resources to effect appropriate mental health treatment services for children and families.

Priority Action Items and Timelines
A By August 1, 2001, DHW will identify funding to support state and local councils. See recommendations 2 and 4.

Desired Result
Expenditures for children's mental health services for children with SED and their families are more accurately tracked across the child serving agencies and reported annually to the ICCMH and the Governor.